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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

25 October 1985

Conservative Opposition to Gorbachev?

Summary

By any measure, since becoming party leader in March Mikhail Gorbachev has moved with impressive speed to consolidate power by advancing allies and removing opponents. He has also been able to push through tough decisions in the economic sphere. Despite these notable successes, there is evidence that conservatives are fighting a rear guard action to limit Gorbachev's options in key policy areas and resist his consolidation of power. While its impact is limited for now, the opposition's existence serves as a reminder that there are forces in the Soviet system waiting for Gorbachev to miscalculate in implementing controversial political and economic reforms. Although this memorandum addresses Gorbachev's political prospects, it does not attempt to provide a net assessment of his strength, but to lay out the signs of resistance and establish indicators of Gorbachev's success in overcoming it.

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This memorandum was prepared by [redacted] the Office of Soviet Analysis. Comments and questions may be directed to the author [redacted] or the Chief, Domestic Policy Division, [redacted] 25X1

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The signs of possible resistance to Gorbachev include:

- Airing of charges by conservative spokesmen that some of the more far-reaching economic reforms now under consideration are ideologically unacceptable.
- The continued presence of key Brezhnev-era officials and leading members of the conservative camp who are reported to be on Gorbachev's hit list.
- A slowdown in the rate of personnel changes in the regional party apparatus since early August.
- Gorbachev's failure to receive some of the symbols of office given to Andropov and Chernenko at comparable points in their regimes. [REDACTED]

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While this opposition does not pose a serious political threat to the new party leader, it may already be causing him to temporize on some contentious issues. During the past several months he has toned down his public rhetoric in support of the ambitious agenda he set early in his regime and taken a more cautious stance on economic reform. Gorbachev can afford to temporize on some issues while he gauges the impact of cadre renewal and ongoing economic initiatives, but he undoubtedly would like to remove remaining Brezhnev holdovers from key positions and achieve a decisive turnover in the Central Committee by the party congress in February. Failure to do so would signal that conservatives are in a stronger position to impede change than now appears to be the case and that the political consensus in the coalition that Gorbachev has brought to power is not as broad or firm as it currently appears. [REDACTED]

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Despite the signs of resistance to Gorbachev, overall he appears to be in a strong political position and continuing to gain strength. Although conservatives may be putting obstacles in the way of Gorbachev's agenda and slowing it down, there are few indications that they are getting it off track. [REDACTED]

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Gorbachev's Gameplan

Although he has been short on specifics, Gorbachev appears to have an ambitious gameplan for bringing the Soviet Union into the 21st century. He has called for a major overhaul of the economy and revitalizing Soviet society, and encouraged expectations that far-reaching changes are in the offing. He has spoken in terms of carrying out "revolutionary" changes and has challenged the pattern of leadership politics that discouraged major innovations for the past 20 years. [REDACTED]

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Gorbachev, however, has implemented only relatively noncontroversial measures for revitalizing the economy. The discipline, anticorruption, and antialcoholism campaigns have already produced marginal improvements in economic performance. Gorbachev also clearly hopes that his efforts to install a new generation of more effective and innovative managers combined with the drive to accelerate the introduction of the latest science and technology achievements into Soviet industry will produce more substantial results. These measures, however, amount to little more than tinkering with the current system and are unlikely to produce more than a short term improvement in Soviet economic performance.

In the meantime, Gorbachev is also taking steps to build political support for more fundamental reforms. He is making extensive personnel changes aimed at undermining bureaucratic resistance; building up popular expectations in favor of reform; and encouraging a broad rethinking of the ideological tenets of the regime in order to undermine conservative arguments against reform. [REDACTED]

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While Gorbachev has not committed himself to a specific agenda for economic reform, he appears to be willing to consider measures that are radical by Soviet standards.

- Shortly before he became party leader, [REDACTED] Gorbachev was fascinated by the Chinese economic reforms and believed that cautious experiments will always be devoured by the system.
- Gorbachev is reportedly taking the counsel of reform economists Abel Aganbegyan and Tatyana Zaslavskaya, both of whom have proposed far-reaching changes in the economy, including an expansion of the private sector.
- Long an enthusiastic supporter of private agriculture, Gorbachev has hinted since becoming party leader that he favors an expansion of private enterprise in agriculture and its introduction in other sectors.
- He has publicly endorsed an expanded role for "commodity money relations" and economic levers such as prices, costs, profit, and credit--measures that would expand the role of the market.

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[redacted] a task force was created in August to advise the top political leadership on economic reform. [redacted] the group agrees that a legalization of the private sector and the introduction of some market mechanisms are needed. [redacted]

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Sources of Opposition

Gorbachev's plans for economic reform and cadre renewal are being opposed by party conservatives and entrenched government bureaucrats. [redacted]

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The replacement of Premier Tikhonov, and his retirement from the Politburo at the 15 October party plenum, removed a principal rallying point for bureaucratic resistance to Gorbachev's economic gameplan. The new premier, Nikolay Ryzhkov, is an ally of Gorbachev and appears to be more favorably disposed toward the general secretary's agenda than Tikhonov. Gorbachev and Ryzhkov quickly followed up on the removal of Tikhonov by replacing 74-year-old Gosplan chief Nikolay Baybakov, whom many Soviet officials have identified as a major impediment to reform, and replacing two veteran ministers (Foreign Trade, and Petroleum Refining and Petrochemical Industry). Without Tikhonov to protect them, other ministers resisting change are now in a much more vulnerable position. [redacted]

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Despite his success in reshaping the top economic leadership, Gorbachev still faces other Brezhnev holdovers in the Politburo who are unenthusiastic about his agenda. Ukrainian party boss Vladimir Shcherbitskiy has long been an outspoken defender of conservative interests and has spoken out explicitly against some of the more far-reaching economic reforms currently under discussion (see below). Other Brezhnev-era leaders who are reported to be resistant to change include Moscow party boss Viktor Grishin and Kazakh party leader Dinmukhamed Kunayev. [redacted]

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The continued influence of this group is suggested by the fact that other anticipated top-level personnel changes did not take place at the October plenum. Despite numerous reports that one or more additional Brezhnev-era holdovers would be removed at the plenum--Grishin, Kunayev, Ponomarev, Rusakov, and Zimyanin--they all survived. [redacted]

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There have been numerous indications that lower levels of the party and economic bureaucracies are unenthusiastic about Gorbachev's economic agenda:

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[redacted] Gorbachev is meeting resistance in the bureaucracy since he is trying to do too much too soon.

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- Continuing bureaucratic resistance to change was highlighted in a politically charged poem in Pravda by Yevgeniy Yevtushenko in early September that lashed out at "nay-sayers" who oppose innovations, always questioning "what if it doesn't work?"
- At the October plenum Gorbachev referred to conservative foot dragging on his economic agenda, stating that it had not been easy to reach agreement on the new five-year plan and complaining of problems created by officials still bound by inertia.

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The continued influence of party conservatives is also evident in the prominence of two of their leading spokesmen in the Gorbachev regime:

Richard Kosolapov, the chief editor of the main party journal KOMMUNIST, has been a leading critic of reformers over the past several years. While Kosolapov has acknowledged the need for changes in the economy in conversations with Embassy officials, he favors limited tinkering rather than fundamental reform. He has publicly differed with Gorbachev on questions of economic reform and has continued to take a conservative editorial line on the subject in KOMMUNIST since Gorbachev became party leader.

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Boris Rakhmanin, the first deputy head of the CPSU bloc relations department, is a long-time defender of ideological orthodoxy. In a highly controversial June PRAVDA article he sharply criticized diversity within the Soviet bloc, and denounced economic reforms currently under discussion in the Soviet Union. Apparently not yet ready to move decisively against the conservatives, Gorbachev has allowed Rakhmanin to continue to play a prominent role in bloc relations. His influence was evident when he was shown on the front page of PRAVDA sitting next to Gorbachev at meetings with Laotian and Mongolian party delegations in late-August and was part of the delegation meeting with Hungarian leader Kadar in September.

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Conservative Concerns

Members of the bureaucracy have historically been a formidable roadblock to reform--most notably decentralization efforts introduced by Premier Aleksey Kosygin in 1965--and many must feel personally threatened by Gorbachev's aggressive personnel policies. Party ideologues fear that relinquishing some of the levers of tight central control could eventually lead to a lessening of political control as well, such as occurred following economic reforms in Czechoslovakia in 1968.

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In addition to fearing for their own positions, political conservatives in the Soviet Union oppose Gorbachev's agenda on ideological grounds. They do not argue that proposals for market reforms and the expansion of the private sector will not be effective, but claim instead that they amount to a reversion to capitalism. Party conservatives are accusing Gorbachev of focusing on economic expedience at the expense of ideological principles. The influence of the conservatives is evident in the continued appearance of articles arguing against reform from orthodox ideological positions in the Soviet press.

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Judging from the prominence of the issue in high-level public statements, there were sharp differences within the leadership over the ideological acceptability of economic reform shortly before Gorbachev's election as party leader. At a major ideology conference in December 1984, Gorbachev stressed the importance of making better use of the market--"commodity-money relations"--specifically arguing for the increased use of economic levers such as "price, production costs, profit, and credit." Gorbachev's remarks immediately drew an apparent direct retort from Kosolapov, speaking at the same conference. Kosolapov cautioned that the expansion of "commodity-money relations" should not be viewed as a "panacea" for all disorders in the Soviet economy and warned against placing too much reliance on economic levers. Kosolapov also spoke out against expanding private enterprise, claiming that it raised the "danger of the restoration of capitalism."

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At about the same time Ukrainian party boss Shcherbitskiy aired similar concerns. Writing in *KOMMUNIST*, he warned that if "trust is put in spontaneous-market regulation" instead of "systematically sustaining" basic proportions the "threat of the restoration of capitalism" is created. He indicated that strong centralized management of the economy is needed in order for the leadership to have its goals carried out.

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Fundamental differences within the party on economic reform have been openly reflected in the Soviet press since the ideology conference. Articles calling for a "socialist market" and flexible prices and an expansion of the private sector have been answered by a steady drumbeat of conservative criticism.

- The director of the leading Soviet institute on prices took a rigidly Stalinist approach in a February *TRUD* article, claiming that flexible prices are "fundamentally wrong" and run counter to the basic principles of socialist economics.
- A March *SOVETSKAYA ROSSIYA* article by conservative sociologist Rutkevich warned that the private plots perpetuate economic inequalities in society.
- A rigidly doctrinaire June *PRAVDA* article by Boris Rakhmanin, under the pseudonym "O. Vladimirov," called proposals to increase the role of the market and expand the private sector "revisionist," and fraught with "serious economic, social, and ideological consequences" that could lead to an increase in "social tension." He denounced ideological flexibility, complaining that under the "camouflage" of "creative interpretation," some people are suggesting that traditional interpretations of Marxist theory have become outdated, and called for a return of "purity of political positions." Subsequent efforts by Soviet officials to assure East Europeans that the article did not represent official thinking suggest that there are high-level differences over these issues in Moscow.
- An editorial comment in a June issue of *KOMMUNIST*--presumably reflecting the views of Kosolapov--warned against giving the market a

large role in regulating the economy. Although it acknowledged that a greater emphasis on profit would stimulate production, it argued that traditional socialist values would suffer, stating that "commodity-money relations under socialist conditions should be subordinate to strengthening" centrally planned production.

- An August PRAVDA article argued that economic reforms in the direction of a market economy were "diametrically opposed" by Marx, Engels, and Lenin.

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Political Indicators

More traditional political indicators also suggest that Gorbachev is meeting high level resistance. So far, Gorbachev has not received the same formal symbols of personal status that his predecessors took for granted. Some Soviet officials claim that Gorbachev has spurned such symbols, and their absence may simply reflect his unique leadership style. Similar reports appeared when Andropov became party leader, although he was soon accorded these symbols.

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Recognition as head of Politburo. Unlike his predecessors, Gorbachev has not been widely accorded the encomium "head of the Politburo." Before Gorbachev became party leader it appeared that the use of this term was becoming institutionalized. Although Brezhnev was not widely recognized as head of the Politburo until 1973, the term began to be used widely for Andropov by other Politburo members and in the press after six months, and took hold for Chernenko in even less time. So far, however, this honorific title has only been used for Gorbachev on isolated occasions--primarily in the republic press--and after the first weeks of his regime has been avoided by other Politburo members. Gorbachev has been referred to as head of the Politburo on only one day in Pravda--29 June--when it was used twice.

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Presidency. Unlike Brezhnev, Chernenko, and Andropov, Gorbachev was not given the largely honorific position of Chairman of the Presidium of the USSR Supreme Soviet (President). Although Gorbachev's explanation, that he needs to devote his time to domestic affairs, and the political expedience of moving Gromyko into the post, indicate that Gorbachev may have not sought the post even though it would have given a clear signal of additional political clout. When Gorbachev nominated Chernenko as president in 1984 he argued that the offices of general secretary and president should be held by one person.

Head of the Defense Council. Gorbachev has not been identified as the head of the Defense Council to the Soviet public--an honor publically given to Andropov and Chernenko by this point in their regimes. In the case of Andropov, the term began to be used in the Soviet media after six months. The title was applied to Chernenko more quickly, with General Staff Chief Ogarkov using it in private within days of his election, and Ustinov using it in public three months later. Gorbachev's interest in being publicly recognized in this position was evident during a September meeting with US congressmen when he drew the attention to the fact that he is speaking in his dual capacity as party leader and head of the council. The only time the term has

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been used in public by a Soviet official was by Leonid Zamyatin at an early August press conference, but it was not replayed by the Soviet media. [REDACTED]

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Treatment of Speeches. Since he became party leader, persisting anomalies have appeared in the media treatment of Gorbachev's speeches. While these appear to be due in part to his extemporaneous style and his efforts to exploit television, on occasion some controversial passages appear to have been intentionally dropped from some versions of his speeches. In a sharp departure from past practice, a speech he delivered in Kiev in June was published only in pamphlet form and was not broadly publicized by the media. There have also been unusual, unexplained delays in releasing several of his speeches--most recently a three day lag of a speech he gave in Kazakhstan in early September. [REDACTED]

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Tactical Retreat?

Gorbachev has alluded to high-level resistance to his program on more than one occasion. He hinted at differences within the Politburo during a June visit to the Ukraine, stating that the question had come up in the Politburo "more than once" whether the leadership is "turning too sharply" in its efforts to reshape domestic policy. He referred again to opposition the following day, stating that "several comrades" had questioned his use of the experience in one plant to draw broad conclusions for the entire economy. It may be no coincidence that both of these speeches were given in the presence of conservative spokesman Shcherbitskiy. [REDACTED]

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This resistance may be causing Gorbachev to temporize on some controversial issues. In sharp contrast to his early statements as party leader, in which he actively pressed for change and appeared to be trying to build up popular expectations, Gorbachev has recently struck a more cautious public note. [REDACTED]

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Gorbachev's shift in rhetoric was first evident during his trip to the Ukraine, when he drew attention to the negative consequences of mistakes in policy, stressing the need for decisions to be carefully thought out. He sounded even more hesitant in his TIME interview, stating that while many in the party want to act "still faster" in introducing deep changes, "caution" is needed. He indicated that he was resisting pressure to go further in pressing for deep reforms in a 10 September conversation with SPD leader Johannes Rau. This new found caution was also evident in Gorbachev's latest speeches which have been missing the standard formulations about the need for bold policy initiatives that had characterized his early remarks as party leader. [REDACTED]

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Gorbachev has also adopted a more cautious tone in terms of substance, suggesting that he is sensitive to conservative concerns. Speaking on agriculture in Kazakhstan in early September, he boosted the 1982 Brezhnev food program as the solution to the country's food shortages rather than more innovative measures such as collective contracts or private plots. He also took a traditional approach in a 21 September speech in which he stressed the need for harder work to improve economic performance. [REDACTED]

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Conservative resistance may have led to a slowdown in the pace of personnel changes in the regional party apparatus. Soviet officials had said that Gorbachev intended to make broad personnel changes following his return from vacation in late August, but in fact, turnover has slowed dramatically. If Gorbachev does not resume a rapid pace of personnel turnover soon, he will have difficulty making the kinds of changes Soviet officials have suggested are on his agenda before the congress.

--By the first week in August, four months after assuming office, he had replaced 20 obkom first secretaries, during the following three months he has replaced only 3. This slowdown is particularly notable since Gorbachev clearly wanted to bring about a major renewal of the provincial party leadership before the pre-congress provincial party conferences which begin in December.

--Notably, not a single regional party leader in the Ukraine has been replaced under Gorbachev and rumors in Moscow attribute this to Ukrainian party boss Shcherbitskiy's successful resistance of pressure from Gorbachev. [redacted]

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Gorbachev's concern over conservative resistance is also evident in the defensive tone he has adopted on the subject of economic reform. Speaking in Kiev in June, he reiterated his interest in expanding use of economic levers, but hastened to offer assurances that the market would not come to dominate the economy: "not the market, not the elemental forces of competition," he said, "but primarily the plan should determine the fundamental development of the national economy." The following day ideology secretary Yegor Ligachev spoke in similar terms, stating that economic reforms under consideration would not lead to a market economy, but would make use of commodity-money relations in accordance with socialist principles. [redacted]

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There have been signs that Gorbachev may be putting the expansion of the private sector on the back burner as well. Although he has had several opportunities, he has not addressed the subject since May. In recent meetings with Westerners, officials who have been sympathetic to an expansion of the private sector have not been encouraging about its immediate prospects.

- In an August conversation with our Embassy, the head of Moscow's leading agricultural institute and a protege of Gorbachev gave a positive assessment of the role of private agriculture in the economy, but indicated there was little room for its further expansion.
- Oleg Bogomolov, head of the leading Soviet institute on East Europe, told a U.S. Congressman in late August that an expansion of the private sector involves a "risk" to the socialist system, and instead promoted agricultural reforms at the kolkhoz level. [redacted]

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At the same time, Gorbachev continues to hint that major initiatives are forthcoming in other areas, particularly ministerial reform, and it may be that he has decided to focus his efforts rather than pressing simultaneously

on all fronts. He may plan to postpone more controversial steps until after the party congress.

- Soviet officials have recently begun telling Westerners that major economic reforms are still several years off.
- At about the same time a knowledgeable Soviet official told our Embassy that no long-range game plan for economic reform had been drawn up, but work is underway on such a program.

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Gorbachev's Prospects

At this point in his tenure Gorbachev has had more success in consolidating power than any of his predecessors at a similar stage. While resistance to Gorbachev may prompt him to scale back the pace of economic reform and cadre renewal, he is unlikely to abandon his agenda. The forces for change are Gorbachev's main base of support and he can ill afford to alienate them. There is no need for him to press for closure on major changes until he has had a chance to gauge the impact of cadre renewal and the discipline campaign on economic performance.

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The opposition to Gorbachev appears to be disorganized and put off balance by his fast start in building his political machine, evidence of popular support for his approach, and the removal of Grigoriy Romanov and Nikolay Tikhonov. In addition, the conservatives appear to be largely negative in their criticism and do not appear to be offering any alternative solutions to what are widely recognized problems that must be addressed. As a result they do not pose a short-term political threat to Gorbachev, although they could cause him long-term political problems if he cannot fulfill the expectations he is creating.

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On many big questions Gorbachev is getting his way. He has moved aggressively on top-level personnel appointments and the five year plan. If he can continue to reshape the leadership in the months ahead, fewer compromises will be necessary after the congress, when a new Central Committee should be better disposed toward major reform.

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Political Indicators

Signs that conservatives are continuing to restrain Gorbachev would include:

- Continued tenure of Moscow party boss Grishin or Kazakh party leader Kunayev beyond the party congress.
- The advancement of conservative spokesmen Kosolapov or Rakhmanin.
- A continued slump in pace of regional personnel changes.
- Failure of the new party statutes to give the leadership additional means of encouraging turnover in key party posts.

Indicators that Gorbachev is making headway in implementing his program would include:

- Promotions for Oleg Bogomolov, who heads leading Soviet research institute on East Europe, or reform economist Abel Aganbegyan.
- Stress on importance of "commodity-money relations" and other symbols of economic reform in new party program.
- A major ministerial reorganization.
- Removal of KOMMUNIST editor Kosolapov or first deputy head of the bloc relations department Rakhmanin.
- Removal of Ukrainian party boss Shcherbitskiy from the leadership or the purge of some of his proteges in the republic.

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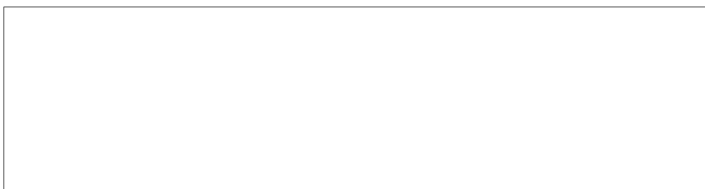
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